3.2. Ameritech shall offer Dedicated Transport in all then currently available technologies including DS1 and DS3 transport systems, SONET Bi-directional Line Switched Rings, SONET Unidirectional Path Switched Rings, and SONET point-to-point transport systems (including linear add-drop systems), at all available transmission bit rates, except subrate services.

3.3. For DS1 facilities, Dedicated Transport shall, at a minimum, meet the performance, availability, jitter, and delay requirements specified for Customer Interface to Central Office "CI to CO" connections in the applicable technical references set forth under Dedicated and Shared Transport in the Technical Reference Schedule.

3.4. For DS3 facilities, and higher rate facilities, Dedicated Transport shall, at a minimum, meet the performance, availability, jitter, and delay requirements specified for Customer Interface to Central Office "CI to CO" connections in the applicable technical references set forth under Dedicated and Shared Transport in the Technical Reference Schedule.

3.5. When requested by AT&T, Dedicated Transport shall provide physical diversity. Physical diversity means that two circuits are provisioned in such a way that no single failure of facilities or equipment will cause a failure on both circuits.

3.6. When physical diversity is requested by AT&T, Ameritech shall provide the maximum feasible physical separation between intra-office and inter-office transmission paths (unless otherwise agreed by AT&T).

3.7. Any request by AT&T for diversity shall be subject to additional charges.

3.8. Ameritech shall offer the following interface transmission rates for Dedicated Transport:

3.8.1. DS1 (Extended SuperFrame - ESF and D4);

3.8.2. DS3 (C-bit Parity and M13 shall be provided);

3.8.3. SONET standard interface rates in accordance with the applicable ANSI technical references set forth under Dedicated and Shared Transport in the Technical Reference Schedule.

3.9. Ameritech shall permit, to the extent technically feasible and at applicable rates, AT&T to obtain the functionality provided by DCS separate from dedicated transport.

1401 H Street, N.W.
Suite 1020
Washington, D.C. 20005
Office 202/326-3815

9

Ameritech

James K. Smith
Director
Federal Relations

February 13, 1997

RECEIVED
FEB 13 1997
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

Re: **Ex Parte Statement**
CC Docket 96-98

Dear Mr. Caton:

On February 13, 1997, Mr. John Lenahan, Ms. Lynn Starr and I met with Mr. Daniel Gonzalez, Legal Assistant to Commissioner Chong, to discuss Ameritech's position on shared transport as set forth in comments filed in this proceeding.

Sincerely,

cc: D. Gonzalez

1401 H Street, N.W.
Suite 1020
Washington, D.C. 20005
Office 202/326-3815

29

Ameritech

James K. Smith
Director
Federal Relations

February 25, 1997

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

RECEIVED
FEB 25 1997
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: **Ex Parte Statement**
CC Docket 96-98

Dear Mr. Caton:

On February 25, 1997, a joint meeting was held between Ameritech, AT&T and members of the Commission staff. Representing Ameritech were John Lenahan, Lynn Starr, Dan Kocher, Jim Smith, and Gary Phillips. Representing AT&T were Bruce Cox, Bruce Bennett, Leonard Cali, Wayne Fonteix and Robert Falcone. Members of the Commission present at the meeting were Richard Metzger, Richard Welch, Jim Schlichting, Suzanne Tetreault, Sherille Ismail, Donald Stockdale, Ed Krachme, Paul Gallant, Vaikunth Gupta, David Ellen, Doug Slotten, Kalpak Gude, Lisa Gelb, and Pat DeGraba.

The purpose of the meeting was to discuss Ameritech's position as set forth in the above referenced docket. The attached material was used as part of our discussion.

Sincerely,

Attachment
cc: Richard Metzger, FCC
Bruce Cox, AT&T

AMERITECH'S SHARED TRANSPORT PROPOSAL

Ameritech will share capacity on a route specific basis with CLECs requiring less than an entire DS-1 to handle their traffic between 2 switches. If a CLEC requires transport at greater than this capacity, it must purchase a dedicated DS-1. For example, if a CLEC requires 36 circuits, it could purchase from Ameritech a dedicated DS-1 for 24 circuits and could share with Ameritech the capacity needed for the additional 12 circuits.

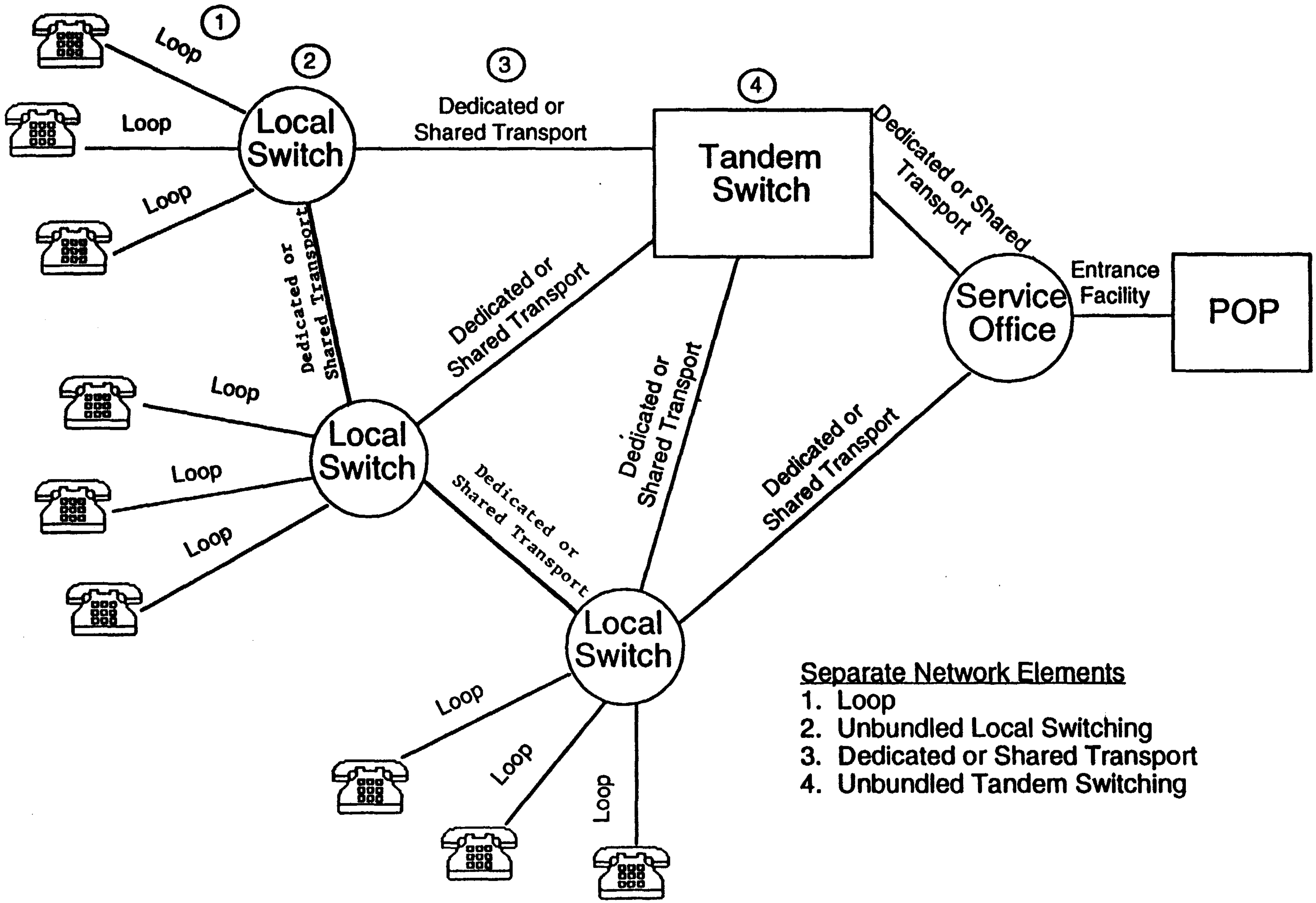
PRICING

IF TRAFFIC IS BEING TRANSPORTED BETWEEN AN AMERITECH SWITCH AND A CLEC SWITCH:

Both shared capacity and dedicated facilities will be priced at a monthly pro-rated flat rate. Ameritech can not technically offer minute of use (MOU) pricing because minutes are measured at the originating switch. Unless both switches are Ameritech switches, Ameritech has no way to measure the minutes of use. Unbundled switching must be purchased separately on the Ameritech switch side.

IF TRAFFIC IS BEING TRANSPORTED BETWEEN 2 AMERITECH SWITCHES:

Shared capacity can be priced on a MOU basis or monthly pro-rated flat rate because Ameritech has the capability to measure the traffic at the originating switch. Unbundled switching much be purchased separately.


1
2
3
4
Loop
Loop
Loop
Local Switch
Dedicated or Shared Transport
Tandem Switch
Dedicated or Shared Transport
Dedicated or Shared Transport
Dedicated or Shared Transport
Service Office
Entrance Facility
POP
Loop
Loop
Loop
Local Switch
Dedicated or Shared Transport
Dedicated or Shared Transport
Dedicated or Shared Transport
Local Switch
Loop
Loop
Loop
Separate Network Elements
1. Loop
2. Unbundled Local Switching
3. Dedicated or Shared Transport
4. Unbundled Tandem Switching

444 Michigan Avenue
Room 1750
Detroit, MI 48226
Office: 313-223-8033
Fax: 313-496-9326

Craig A. Anderson
Counsel

Ameritech

February 24, 1997

Ms. Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
P.O. Box 30221
Lansing, MI 48909

Re: MPSC Case Nos. U-11151 and U-11152.

Dear Ms. Wideman:

Enclosed for filing in the above-referenced case is an original and fifteen copies of Ameritech Michigan's Response to Staff's Recommendations.

Very truly yours,

Craig A. Anderson

Enclosure

cc: All Parties of Record

CAA:jkt

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the petition of AT&T Communications of Michigan, Inc., for arbitration to establish an interconnection agreement with Ameritech Michigan.	Case No. U-11151
In the matter of the petition of Ameritech Michigan for arbitration to establish an interconnection agreement with AT&T Communications of Michigan, Inc.	Case No. U-11152

AMERITECH MICHIGAN'S RESPONSE TO STAFF'S RECOMMENDATION

Ameritech Michigan[1] submits the following response to Staff's February 20, 1997 recommendation on the two outstanding interconnection agreement issues.

Initially, Ameritech Michigan concurs with Staff's recommendation (p. 9) that the Commission should require that the parties submit for the Commission's approval a signed agreement incorporating the Commission's resolution of the two open issues, as well as the decisions in the Commission's original November 26, 1996 arbitration decision.[2] However, Ameritech Michigan is concerned that the

[1] Michigan Bell Telephone Company, a Michigan corporation, is a wholly owned subsidiary of Ameritech Corporation, which owns the former Bell operating companies in the states of Michigan, Illinois, Wisconsin, Indiana, and Ohio. Michigan Bell offers telecommunications services and operates under the names "Ameritech" and "Ameritech Michigan" (used interchangeably herein), pursuant to assumed name filings with the state of Michigan.

[2] Ameritech Michigan would also request that Staff identify any other issues it believes need to be addressed by the parties in finalizing the interconnection agreement no later than the issuance of

lack of a specific time frame in which to submit the signed agreement could further delay the process of obtaining final approval of the agreement and forestall Ameritech Michigan's ability to compete in the provision of long distance service. For this reason, Ameritech Michigan strongly urges the Commission, as it has in every other arbitration order, to require the parties to submit an agreement in conformity with the Commission's decision within no more than 10 days of the Commission's order. Given the limited scope of the remaining matters at issue (as compared to the broad scope of issues which have been addressed in other arbitration decisions), this 10 day time frame cannot legitimately be argued to present a hardship to AT&T or any other party.

ISSUE I

UNBUNDLED LOCAL SWITCHING

1. Discussion

Ameritech Michigan accepts Staff's recommendation that the rates established on an interim basis as a result of the Commission's December 12, 1996 orders in Case Nos. U-11155 and U-11156 for ports, as specified in Advice No. 2438B, be incorporated as the price in the AT&T interconnection agreement for unbundled local switching. Ameritech Michigan also concurs that any reference to a "Michigan port" in the agreement should be deleted.

---

the Commission's order, so that such issues can be addressed by the parties in the signed agreement.

For purposes of clarification, Ameritech Michigan notes that it does not believe that the interim rates for unbundled local switching recommended by Staff cover the cost of providing that service. However, Ameritech Michigan is willing to accept Staff's recommendation on an interim basis, recognizing that the issues of the appropriate costs and prices for this service on a going-forward basis will be established as a result of the Commission's decision in Case No.U-11280. Ameritech Michigan would also note, for purposes of clarification, that the development of the costs and the resultant rates for the services described in Advice No. 2438B did not originally include the central office features which are part of the unbundled local switching service defined in the AT&T arbitration agreement; the so-called "Michigan port" was never even at issue in the arbitration. It will be necessary to address this issue in Case No. U-11280. In Case No. U-11280, Ameritech Michigan has presented cost analyses of ports, both with features and without features. To the extent that the Michigan port, as suggested by Staff, is the same as unbundled local switching and includes features, any rate which will result from the proceedings in Case No. U-11280 will have to take into account the costs of features.

The attached format of the "switching" section of the pricing schedule includes the rates established in Advice No. 2438B for both "basic line ports" and "ground start line port." Note that the document attached to Staff's recommendation had struck out the reference to "ground start line port, per port," even though this element was included in Advice No. 2438B. Consistent with

Staff's recommendation, this element should be included in the AT&T pricing schedule.

In addition, the marked-up document attached to Staff's recommendation scratched out a number of items where prices were not established, although the description of the service was included (i.e., where rates are shown as "TBD," or to be determined). Although AT&T may not have requested the Commission to establish arbitrated rates for these switching elements, the services were defined in connection with the agreement between the parties. Each version of the pricing schedule attached to the agreement submitted to the arbitration panel included these agreed-upon classifications of services. To attempt to strike the services out now would rewrite the agreement of the parties. The Commission's decision, and the preceding arbitration panel decision, approved the agreement of the parties on issues which were not in dispute. The classification of these services between the parties were not in dispute and should not be stricken from the agreement at this time. At some later date, prices may be established in some other context,[3] or if AT&T requests the particular elements, rates may be established to replace the TBDs.

2. Specific Recommendation

Consistent with Staff's recommendation, and to avoid any further confusion, Ameritech Michigan recommends that the Commission specifically direct the parties that the "Switching" section of the pricing schedule attached to the

[3] For example, prices for all these elements have been proposed in Case No. U-11280 and are currently the subject of a motion to set interim rates.

January 29, 1997 signed version of the contract be amended only in the following respects. The item noted on page 5 of the pricing schedule as "Line Side Port Without Vertical Features ... 54 Cents" should be deleted, the rates established in Advice No. 2438B should be inserted for "Basic Line Port, Per Port" and "Ground Start Line Port, Per Port" on page 5, and that AT&T's addition on page 7 of the language under the heading "Michigan Ports" be deleted.

ISSUE II

PRICING OF SHARED TRANSMISSION FACILITIES

1. Discussion

Staff's second recommendation addresses the price for Shared Interoffice Transmission Facilities. The interconnection agreement defines Shared Transport Transmission Facilities as "a billing arrangement where two (2) or more carriers share the features, functions and capabilities of transmission facilities between the same types of locations as described for dedicated transport in Sections 1.1 and 1.2 preceding and share the costs." *See* Schedule 9.2.4-1.3. The locations described in Section 1.1 are two Ameritech Michigan central offices, which could be either end-offices or tandems, connected by transport facilities. Section 1.2 describes transport facilities between an Ameritech Michigan central office (either an end-office or a tandem), and AT&T's wire center.

Ameritech Michigan believes that Staff's recommendation on this issue is inconsistent with the plain language of the federal Act mandating local transport unbundled from switching and with the requirements of the FCC's Rules and Order. Staff's recommendation on the pricing of shared transmission facilities is based on two assumptions. First, Staff states that: "Ameritech Michigan does not believe that it is obligated under the FCC Rules to permit the traffic of other providers to be carried on the same facility as the traffic of Ameritech Michigan." Staff Recommendation at p. 7. Second, Staff says that Ameritech Michigan's proposal is inconsistent with rules the FCC adopted in its First Report and Order issued on August 8, 1996 in CC Docket 96-98 because it would not permit the "usage-sensitive or a flat-rate charge ..." options that the MPSC is entitled to adopt. Staff Recommendation at p. 8. Neither assumption accurately reflects Ameritech Michigan's position. Therefore, Ameritech Michigan requests that Staff's recommendation be modified to reflect that AT&T has the option of a flat-rate charge or a usage sensitive charge, as described below.

Ameritech Michigan will share interoffice transmission facilities with other requesting carriers, including AT&T, where capacity is available. Ameritech Michigan will offer two pricing options to the requesting carrier that shares these facilities. The first option is a flat rate circuit capacity charge that is based on the pro-rated capacity of the facility. Requesting carriers can order one circuit (DS-O) or multiple circuits, however, if twenty-four circuits are ordered, a dedicated DS-1 facility should be provided. Staff's recommendation should be modified to require that footnote 10 in Item V. E., Pricing Schedule 9, be changed to clarify that at AT&T's option, it can share up to 24 DS-Os with Ameritech Michigan on a pro-rata basis based on the rates in Ameritech Michigan's FCC Tariff No. 2, Section 7.5.9.

This pro rata flat rate charge applies to shared transport facilities between Ameritech Michigan's central offices ("Section 1.1" locations) and to shared transport facilities between an Ameritech Michigan central office and AT&T's wire center ("Section 1.2" locations).

A second per minute of use pricing option is available to AT&T for shared transport facilities between two Ameritech Michigan central office switches where AT&T obtains unbundled switching network elements (i.e., trunk ports). The per minute price for this usage-based option should be the two interoffice facilities rate elements in Ameritech Michigan's FCC Tariff 2, Section 6.9.1, i.e., "Tandem-Switched Termination Per Access Minute" (*see* Ameritech Michigan's FCC Tariff No. 2, 37th Revised Page 207) and "Tandem-Switched Facility Per Access Minute Per Mile" (*see* Ameritech Michigan's FCC Tariff No. 2, 37th Revised Page 207). Staff's recommendation should require that the usage sensitive option in Item V. E. be revised to permit AT&T to order up to 24 DSOs per trunk port on a per minute of use basis. The per minute charge should be the tariff charges for "tandem-switched termination" and "tandem-switched facility" referenced above.

Ameritech Michigan's proposal to share up to 24 DSOs per trunk port is based on basic network design and architecture. The smallest trunk port on a digital switch can accommodate up to 24 DSOs, which equals a DS-1 signal level. Sharing, therefore, should be limited to a demand capacity of less than 24 DSOs for each trunk port; quantities of 24 DSOs or more for a given route would justify a dedicated facility. For example, if AT&T projects a demand of 36 DSOs on a given trunk route, Ameritech Michigan's proposal would require AT&T to purchase a DS-1 (i.e., 24 DSOs) on a dedicated basis, and Ameritech Michigan and AT&T would share 12 DSOs, each on another trunk port. If AT&T's actual demand for a given trunk port equals 24 DSOs, by network design, there is no "sharing" opportunity. If AT&T's demand is less than 24 DSOs on a given trunk port, sharing is possible.

Switching related rate elements must be excluded from the price for shared interoffice transmission facilities because, as the MPSC and the FCC both have recognized, TA96 specifically requires that these facilities must be unbundled from switching or other services. Therefore, Staff's recommendation should be clarified to exclude any switching related rate elements from the price for shared transmission facilities. These rate elements to be excluded are those in Ameritech Michigan's FCC Tariff 2, Section 6.9. which relate to switching, *i.e.* "Tandem Switching Per Access Minute" (*see* Ameritech Michigan FCC No. 2, 7th Revised Page 207.1), "Residual Charge Per Access Minute" (*see* Ameritech Michigan FCC No. 2, 4th Revised Page 207.2), and "Bundled Local Switching" (*see* Ameritech Michigan FCC No. 2, 48th Revised Page 214).

In the rules it adopted in its First Report and Order in Docket 96-98, the FCC established "interoffice transmission facilities" as an unbundled network element. 47 C.F.R. Section 51.319(d). The FCC did so, in part, to meet the checklist requirements of Section 271(c)(2)(B)(v).[4] This checklist item requires "[l]ocal transport from the trunk side of a wireline local exchange carrier switch **unbundled from switching or other services.**" (emphasis added) The MPSC recently agreed that the "interoffice transmission facilities" network element prescribed in the FCC's First Report and Order is the checklist item listed in Section 271(c)(2)(B)(v).[5]

Because Section 271(c)(2)(B)(v) requires that interoffice transmission facilities must be unbundled from switching and other services, the FCC defined this network element in its rules as being only those facilities between switches.

> Interoffice transmission facilities are defined as incumbent LEC transmission facilities dedicated to a particular customer or carrier, or shared by more than one customer or carrier, that provide telecommunications between wire centers owned by incumbent LECs or requesting telecommunications carriers, or between switches owned by incumbent LECs or requesting telecommunications carriers.[6]

To ensure that the required separation of interoffice transmission facilities and switching was complete, the FCC defined interoffice transmission facilities as one unbundled network element,[7] and defined switching – including local and tandem switching –as separate unbundled network elements.[8] Consistent with the FCC's determinations. the Interconnection Agreement treats tandem switching separate from interoffice transmission. *See* Schedule 9.2.3., Section 2.0 "Tandem Switching";

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[4] First Report and Order, text accompanying fn. 986.
[5] In the Matter of the Application of Ameritech Michigan Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in Michigan, CC Docket No. 97-1, Comments of the Michigan Public Service Commission, filed February 5, 1997, at p. 21 ("In its Rules issued on August 8, 1996, the FCC delineated seven unbundled network elements that must be provided in order to comply with Section 251(c)(3) of the Act. [citing to 47 C.F.R. 51.319]. Five of these items are specifically delineated as checklist items: local loop (item iv), switching capability (item vi), interoffice transmission facilities (item v), signaling networks and call-related databases (item x), and operator services and directory assistance (item vii)." (emphasis added).
[6] 47 C.F.R. Section 51.319(d)(1). (emphasis added).
[7] *Id.*

see also Pricing Schedule Item V.C. "Switching" at p. 8 "Unbundled Tandem Switching, Usage Without Tandem Trunking."

Ameritech Michigan's proposal to share its interoffice facilities gives full meaning to the sharing requirements included in the FCC's definition of "shared" interoffice transmission facilities but – unlike AT&T's "common" transport proposal – which by its own admission combines transport and switching – Ameritech Michigan's proposal does no violence to the plain and simple language of checklist Section 271(c)(2)(B)(v) which imposes the requirement of "[l]ocal transport from the trunk side of a wireline local exchange carrier switch **unbundled from switching or other services.**" (emphasis added).

2. Specific Recommendation

To provide pricing for shared transport consistent with the federal Act and the FCC Rules and Order, Ameritech Michigan recommends the following three specific revisions to Staff's recommendations:

(i) Staff's recommendation should be modified to require that footnote 10 in Item V.E., Pricing Schedule 9, be changed to clarify that at AT&T's option, it can share up to 24 DSOs with Ameritech Michigan on a pro rata basis based on the rates in Ameritech Michigan's FCC Tariff No. 2, Section 7.5.9.

(ii) Staff's recommendation should be revised to require that the usage sensitive option in Item V.E. be revised to permit AT&T to order up to 24 DSOs per trunk port on a per minute of use basis. The per minute charge should be the tariff charge for "Tandem-Switched Termination Per Access Minute" (see Ameritech

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[8] 47 C.F.R. Section 51.319(c)(1) and (2). *See also* First Report and Order at fn. 987.

Michigan's FCC Tariff No. 2, 37th Revised Page 207) and "Tandem-Switched Facility Per Access Minute Per Mile" (see Ameritech Michigan's FCC Tariff No. 2, 37th Revised Page 207).

(iii) Staff's recommendation should be clarified to exclude from the price for shared transmission facilities any switching related rate elements. These rate elements to be excluded are those in Ameritech Michigan's FCC Tariff 2, Section 6.9, which relate to switching, i.e., "Tandem Switching Per Access Minute" (see Ameritech Michigan FCC No. 2, 7th Revised Page 207.1), "Residual Charge Per Access Minute" (see Ameritech Michigan FCC No. 2, 4th Revised Page 207.2), and "Bundled Local Switching" (see Ameritech Michigan FCC No. 2, 48th Revised Page 214).

CONCLUSION

Ameritech Michigan requests that the Commission adopt its foregoing recommendations to resolve the two open issues. Ameritech Michigan also reiterates its request that the Commission require that a signed agreement incorporating the Commission's decision be jointly submitted for approval within 10 days.

Respectfully submitted,

AMERITECH MICHIGAN

MICHAEL A. HOLMES (P24071)
CRAIG A. ANDERSON (P28968)
444 Michigan Avenue, Room 1750
Detroit, Michigan 48226
(313) 223-8033

Dated: February 24, 1997

1401 H Street, N.W.
Suite 1020
Washington, D.C. 20005
Office 202/326-3815

Ameritech

James K. Smith
Director
Federal Relations

March 11, 1997

RECEIVED

MAR 1 1 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

RE: **Ex Parte Statement**
CC Docket 96-98

Dear Mr. Caton:

This is submitted in response to AT&T's March 5, 1997 ex parte correspondence filed in this proceeding (letter from Bruce K. Cox to William F. Caton). Ameritech disagrees with various assumptions contained in AT&T's correspondence and has recast AT&T's numbers as set forth below:

AT&T assumed originating local usage of 400 minutes per month per line.

ARMIS reports filed with the FCC by Ameritech demonstrate that the average usage is 620 minutes per month per line.

AT&T assumes a line to trunk ratio of 8:1.

A typical central office of 15,000 lines would typically have 1250 trunks. This equates to a 12:1 line to trunk ratio.

AT&T assumed a per trunk usage of 3200 minutes per trunk based on a 8:1 line to trunk ratio (8 lines x 400 minutes per month).

An assumed usage of at least 7400 minutes per trunk (12 lines per trunk x 600 minutes per line) should be used, more than twice the amount assumed by AT&T. For access, the FCC has in the past required a 9000 minute of use assumption.

AT&T assumed a monthly price of $383.63 per DS1.

The DS1 price for a five mile facility between two unbundled local switching ports is $51.71. AT&T erroneously included two entrance facility rate elements when no entrance facilities are utilized, given AT&T's assumption that it will serve customers in every Ameritech end office using UNE-P.

AT&T uses Hatfield Study for cost comparisons.

The Hatfield studies have been shown to consistently understate the service costs incurred by ILECs. Ameritech's estimates are based on prices contained in the State Commission approved AT&T contract in Illinois.

AT&T announced it will need 100 line class codes per switch.

Ameritech has assumed resellers would use on average 26 line class codes per switch.

Ameritech's unbundling proposal utilizing shared transport facilities combined with unbundled local switching provides cost effective trunking alternatives:

	AT&T's Assumptions	Ameritech Data	FCC Proxy Usage
View 1	$ .01032	$ .00904	$ .00893
View 2	$ .00901	$ .00733	$ .00721
View 3	$ .010366	$ .010366	$ .010366

View 1 - Combination of Dedicated Transport with overflow into wholesale services.
View 2 - Entire Dedicated Network
View 3 - Unbundled Local Switching with Wholesale Services

Sincerely,

cc: B. Cox, AT&T
D. Stockdale, FCC
L. Gelb, FCC
K. Gude, FCC

1401 H Street, N.W.
Suite 1020
Washington, D.C. 20005
Office 202/326-3815

Ameritech

James K. Smith
Director
Federal Relations

March 28, 1997

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Washington, D.C. 20554

Re: Ex Parte Correspondence-CC Docket No. 96-98

Dear Mr. Caton:

At the request of staff, attached is Ameritech's response to AT&T's Ex Parte Correspondence dated March 20, 1997. Ameritech's analysis of AT&T's recalculations indicates that AT&T continues to present to the Commission a distorted view of the economic viability of "shared transport" predicated on the use of discrete interoffice transmission facilities. It seeks by inference to suggest that shared transport can only have viable economic meaning if it is viewed as synonymous with "common transport"-- a service whereby a call is delivered to the ILEC network and routed as any other call over the ILEC network. This undifferentiated use of the ILEC network is the essence of what constitutes a service, as opposed to a network element. Any back door attempt to undermine the difference between a service and a network element would contravene express statutory language as correctly construed by the Commission in this Docket. See e.g., First Report and Order, FCC 96-325 at paras. 334, 343, and 358.

In responding to AT&T, Ameritech once again demonstrates that shared transport utilizing discrete interoffice transmission facilities as unbundled network elements has true economic meaning as an option for local exchange competition. AT&T's Ex Parte would suggest that costs using shared transport under Views #1 and #2 are generally higher than obtaining service at wholesale rates. The